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AUG 23 2007
MANAGEMENT

August 13, 2007

RECORDATION NO 27125 FILED

Mr. Vernon A. Williams
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

AUG 20 07

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SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Please find enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) two copies of the Memorandum of Railcar Lease Agreement, dated June 26, 2007, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Tealinc, Ltd.
1606 Rosebud Creek Road
Forsyth, MT 59327

Lessee: Schnitzer Steel Industries, Inc.
3200 NW Yeon Avenue
Portland, OR 97296

A description of the railroad equipment covered by the enclosed document is:

Fifty (50) single tub design coal railcars with the numbers ORTX 93001 through 93222 non-inclusive as more particularly set forth in Exhibit A attached to the document

1606 Rosebud Creek Road, Forsyth, MT 59327

Ph: 406-347-5237

Fax: 406-347-5239

Email: darell@tealinc.com

A short summary of the document to appear in the index is:

Memorandum of Railcar Lease Agreement.

Also enclosed is our check in the amount of \$35.00 payable to the Surface Transportation Board for the required recordation fee.

Please kindly return stamped copies of the enclosed document to the undersigned.

Sincerely,


Tammy R. Luther

/tl
Enclosures

AUG 20 '07

1:10 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF RAILCAR LEASE AGREEMENT

THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of June 26, 2007 by and between Tealinc, Ltd ("Lessor") a Montana corporation, and Schnitzer Steel Industries, Inc. an Oregon Corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor various Railcars pursuant to one or more Schedules to be entered into by Lessor and Lessee from time to time, all as more particularly described in that certain Master Railcar Service and Lease Agreement No. 121203 dated December 8, 2003 between Lessor and Lessee (hereinafter referred to as the "Lease").

2. Pursuant to the Base Lease Term for Schedule No. AR001 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor twenty (20) railcars with Lease termination on April 30, 2009 and pursuant to the Base Lease Term for Schedule No. AR002 for thirty (30) railcars with Lease termination on October 31, 2009 bearing the reporting marks and numbers indicated on Exhibit A hereto, all as more particularly described in the Lease.

3. Pursuant to Schedule No. AR003 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the fifty (50) single tub design coal Railcars bearing the reporting marks and numbers indicated on Exhibit A hereto, all as more particularly described in the Lease as modified by Schedule No. AR003.

4. The Lease as modified by Schedule No. AR003 shall be effective as of the execution date thereof and shall be subject to the term of the Lease, as provided therein.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Railcar Lease Agreement to be executed as of the date first above written.

LESSOR:**TEALINC, LTD.**By: Print Name: DARRELL J. LUTTONTitle: Vice PresidentAddress: 1606 Rosebud Creek Road
Forsyth, MT 59327

Phone: 406-347-5237

Facsimile: 406-347-5239

LESSEE:**SCHNITZER STEEL INDUSTRIES, INC.**By: Print Name: Richard C. JosephsonTitle: Vice President and SecretaryAddress: 3200 NW Yeon Ave., P.O. Box 10047
Portland, OR 97296

Phone: 503-224-9900

Facsimile: 503-1323-3804

EXHIBIT A
t o
MEMORANDUM OF RAILCAR LEASE AGREEMENT

ORTX	93001
ORTX	93002
ORTX	93012
ORTX	93013
ORTX	93024
ORTX	93028
ORTX	93030
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ORTX	93204
ORTX	93207
ORTX	93222